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Chief,
Fort Hill, N.Y. - Attn:
Chief of Base, Alsbury

Operational/ 100

Dear Sir: Progress report for July 1953

Headquarters Action Required.

1. Requested of Headquarters is an affidavit for Agent's immigration.
2. Requested of Headquarters is advice as to the proper filing and addressing of all Agent's correspondence. Until now, the field has been using the above address and slug without knowing whether it is correct or not.

Synopsis of Developments.

3. Five meetings were held during the reporting period. Agent has committed a somewhat serious security breach in regard to his sixteen-year-old mistress. As a result of the reproach he received for the breach and the fact that he is not allowed to see the girl any more, agent's morale dropped considerably. In order to bolster agent's security, negotiations are underway for supplying agent with additional West German documentation. Also it is planned to acquire a safe apartment in which to hold the Agent's meetings. In addition to keeping the agent off the streets, i.e., park benches and coffee houses, the safe apartment will also be more convenient in which to give agent night lessons. It is also planned to put Agent out on small operational tasks, which should help considerably in bolstering his morale.

Developments.

4. It was learned that Agent committed another security breach in the month of June. During his relations with the sixteen-year-old granddaughter of the Naurisreunshaus, where agent lived during April and May, he offered to help the girl to run away from home where, according to agent, she was badly abused by her grandmother. In order to help the girl, Agent crossed the Austro-German border and went to Bad Weichenhall where he had heard of a girl's home to investigate the possibility of his young mistress taking refuge there. The flight, however, never took place. Agent was given a severe dressing down for this incident and was more or less placed on probation by having to submit to case officer written weekly behavior reports outlining his week's activities. Agent was also prohibited from seeing the girl again. Details of this episode can be found in contact report 32.

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NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

5. Agent continues to write "business letters" which are filed by case officer from various firms in Austria. These "business letters" which agent receives at his apartment in Salzburg are intended to give some backstop to agent's cover as a businessman.

6. A telephone was installed in agent's apartment during the reporting period. This will greatly aid in contacting agent in the event of an emergency. It was so arranged that the telephone was registered in his landlady's name.

7. GALT HICK 1 learned that there will be no more formal English classes held in Salzburg until October. The other alternative for aiding agent's study of English would be for him to hire a private tutor. However, this was deemed inadvisable as it would allow an uncleared person to become very well acquainted with agent. In the meantime, agent will continue studying English on his own with whatever help case officer can give. Agent has done very well in his "English, Self-Taught" course and is now able to carry on short conversations in English.

8. It was formally requested in SA-1639 that \$100.00 a month be withheld from agent's salary and retained for him in the U. S. by Headquarters pending his arrival there. SA-1639 represented the request for the June payment; SA-1792 represented the request for the July payment.

9. Agent and case officer are currently engaged in a search for a safe apartment in which meetings can be held. A safe apartment would also be more convenient in helping agent with his English lessons and in preparing him for his immigration to the U. S. It will also add to the security of the operation in that meetings will no longer have to be held in coffee houses and park benches. Salzburg is too small for such a practice to go on unnoticed.

10. GALT HICK 1 was told that he should go to Germany within the next four or five weeks to sell his car so that there will be no obstacle when the time comes for him to immigrate.

11. Agent learned that as a foreigner residing in Salzburg he must register with the Salzburg Grossenverkehrsamt as a businessman. He must also bring along a letter from his employer confirming him as a bona fide businessman. GALT HICK 1 said that he could write the required letter on some Linde Company stationery he left in Vienna. A request was sent to Vienna for the stationery which was received in Salzburg (VW/1625) 31 July 1953. It will be passed to agent at the first August meeting.

12. Consideration is currently being given to getting GALT HICK 1 back on to minor operational tasks, which would not endanger his security. These operational tasks would certainly help GALT HICK 1's somewhat sagging morale. In this regard, agent was asked to re-establish contact with the Linde Company in Munich for the purpose of obtaining additional cover.

13. Attempts are currently being made to obtain for GALT HICK 1 additional West German documentation, e.g., Reisepass, driver's license, etc. Olga B. Hogenstein, a RAO representative in Salzburg, handcarried the details of the request (SA-1639) to Frankfurt on 29 July 1953.

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14. In a 1 of the security report in paragraph 4, from which there were no visible results or damages, Agent's security in Salzburg seems to remain good. Agent reported that he has not been aware of any type of surveillance or investigation concerning him. However, he has noticed an American Negro loitering near his apartment on several occasions, but it is not expected that an enemy service would employ such an obvious person as a Negro in any type of surveillance.

15. There are no further developments to be reported concerning GRALLSIEB 1's immigration. In answer to WALT 1474, () of NOB reported orally that the NOB allegation that GRALLSIEB is a red agent will have to be cleared before he can immigrate even under first preference. Marshall suggested that he be permitted to insert in GRALLSIEB 1's immigration application in the Munich Consulate a classified letter stating that the allegation was completely false. This would be sufficient to override this unevaluated allegation and would clear the path for agent's immigration. However () said that he needed some grounds on which to write this classified letter. It was therefore suggested, and Marshall concurred, that (a) a memo be written by US describing the reasons for the false allegation and the baselessness of the charge and (b) GRALLSIEB 1 be DEPUTT'd concerning the charge and the results forwarded to (). On the basis of (a) and (b), () could write the necessary classified letter for insertion into GRALLSIEB 1's immigration file and thus the way would be completely cleared for his immigration. Agent will therefore be DEPUTT'd some time during the first two weeks of August and the results along with the memo will be forwarded to () at NOB.

16. Agent's morale took a tumble as a result of the episode in para. 4. However it rose again slowly until it seemed to be almost back to normal. No effort was made to rebuild agent's morale as a result of the reproach he received and agent was not necessarily allowed to forget the incident. As a result agent's morale during the reporting period was somewhat lower than heretofore.

4 August 1953

Attachments:

- A. CR of 13 June 53
- B. CR of 7 July 53
- C. CR of 17 July 53
- D. CR of 23 July 53
- E. CR of 28 July 53

Distribution:

- 3 - SA (w/2 copies ea. of atts.)
- 3 - SE (w/2 copies ea. of atts.)
- 3 - Vien (w/2 copies ea. of atts.)
- 1 - Salz chrono (w/o atts.)
- 1 - Salz #154 (w/1 copy ea. of atts.)
- 1 - Progress rpt. file (w/1 copy ea. of atts.)

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Comment:

As outlined in paragraph fifteen, the necessary memorandum for Miles will be handed to him shortly after GRALLSPICE 1 receives an LCPUTTER. Tentatively it is planned that he will be tested on or about 1 September 1953, since our LCPUTTER man will be on TDY in Vienna until shortly before that date. It is possibly not clear from paragraph fifteen that clearing GRALLSPICE 1 of this allegation is a purely local problem, not affecting at all the Headquarters work being done on the procurement of first preference status. The allegation will not become an immediate issue until receipt by the Consulate General of notification that first preference status has been granted. At that time the allegation would have to be cleared from the record prior to the actual issuance of a visa. As you will note from paragraph ten, we will have disposed of GRALLSPICE 1's automobile within the next four weeks or so, and we will also take pains to settle the matter of the allegation within that time. Were it necessary to settle these two things more quickly we could and would take care of them in a matter of days, but we unfortunately do not believe that we can expect receipt of first preference notification in Munich much sooner. Please let us emphasize again that in our opinion it is of grave importance to get GRALLSPICE 1 off the continent with all possible expedition, and we strongly urge that everything be done by Headquarters to speed up the issuance of first preference.

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